FIFTY-THIRD YEAR

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Morgan and Morganism

What Is the Steel Trust?

What Does New York Think?

eading of "Morgan and Morganism"—"The Man and His Methods," the London Daily Mail is publishing a series of letters on the great Amer

man, which are impossible of in to a chief sitting in an office a red miles away and suffering from

s prostration. al combinations, though they look in practice before they can be

turn to the first proposition, that elimination of competition prices be maintained at a level of high On the face of it this is the est and most self-evident of prop ns. But it hardly states the facts. limination of competition implies stablishment of a monopoly. and el trust has not by any means establishment of a monopoly has

e dream of the imaginative and ous producer ever since modern rialism began. But a permanent oly in any commodity of univer-sumption never has been estab-, and in the nature of things nevbe. Commodities of universal free and illimitable production and iron and wheat are not from natures and properties indispen-to man. It is their abundance and ness that make their supreme and importance. The very fact ey are among the daily necesof life implies a universal profuproduction that excludes the

lorgan's trust has not establishnd no one ever will establish, a of the iron and steel industry on and steel industry of that succeeded in capturing a portion. Com-petition remains, and competition inevitably must grow. Nothing can pre-vent the development of the immense mineral resources that yet remain to be in that country of illimitable The trust, if it is to establish opoly, has either to fight that

It has had no occasion to try, indeed, the tariff and the huge prosperity of the country having accomplished that for it. It has shared the high prices along with all the business remaining outside itself. But the time will come when at least it will be necessary for the trust to endeavor to maintain prices. Then the competition which the present era of prosperity has called in-to being will have to be faced.

Of late there has ben a certain modification of the public attitude towards trusts. A few years ago the trust system was a sort of bogey vaguely hated and feared. In the popular imgaination it was a gigantic beast of prey with horrid blood-gouted, insatiable maw. Its feroclous nature and purpose were to levy blood-money upon the public by taxing the necessaries of life unliveable. Bread and meat, coal and iron, the supply of every commodity indispensable to livelihood or life was to be made the monopoly of some gigantic trust, which would put up the prices to the uttermost limit of the public capacthe time when beefsteak, owing to the operation of a beefsteak trust, would be a guinea an ounce; there was a car-toon in which a dearsome monster representing a milk trust was relentlessly demanding the last drop of the heart's blood of a supplicating mother as the price of a bottle of milk for her hunger-

The trust was regarded as a relentless and irresistible monopoly, which, having smothered all competition, would proceed to assess values accord-ing, not to the cost of production, but

This terrified idea does not hold tothe wide thought which that observa-tion has suggested have to a certain extent reassured the public mind. It has come to be recognized that even the most powerful of trusts is powerless in the presence of the inexorable law of supply and demand. It is recognized that the two supposed objects of a trust—the extinction of competition and the extortion of extravagant profits are mutually exclusive. To extort extravagant prices means not only a corresponding shrinkage in demand, but inevitable increase in competition.

A trust might start with all the in the world to put up prices to gold value, but it must inevitably come to for enlarged profits in other di-In fact, experience so far rections. goes to show that the trust system tends rather to cheapen prices than to raise them.

Indeed, information received today rom the United States shows that fully three-fourths of the increase in steel production during the last two years is fue to independent makers. It is stated in the best informed circles that the trust now controls barely one-half of the steel output, whereas the popular estimate at the period of the formation of the trust allotted it 75 per cent of the total ouput. In addition to this, the price of certain lines in steel has been recently reduced, in spite of strenuous opposition from the trust's managers, and this again is due to the competition of the independent mills.

The steel trust, then, wields no magic power.It can neither establish a monopoly nor regulate prices, except to its own hurt. It is just a big business which has to go out into the market and compete with other big businesses. The only difference is that it has a hugely inflated capital, It acquired the constituent businesses at a very high valuation, and it asked from the public a valuation so high as only to be justi-fied by the assumption that good trade and high prices are to last in the Unit-

But on the stock exchange its 100dollar preference shares which were issued, it is believed, at about 90, are land is as yet only in its imma- | quoted at 851/2.

once remarked: "Mr. Morgan is a member of our board, and practically dictates what should be done. The interest which he represents is a very small minority, but," added this gen-tieman, "Mr. Morgan is so masterful a man that he is bound to control

This plain statement from experience explains much of what might otherwise be looked upon as a mystery, for it is a very well-known fact that Mr. Morgan's interest, personal or through lirm, in the various enterprises w

hands at the vote on stock conversion proved that out of the ten million shares of preferred and common stock Mr. Morgan himself held only 19,000, and J. P. Morgon & Co only 2,800. The same is true of most other so-called 'Morgan enterprises.'

But personal force and power are not all. Ten years ago neither Mr. Mor-gan nor his firm occupied the com-Perhaps the most noteworthy element in his subsequent rise to prestige was his achievement in the syndicate formed to save the treasury's gold re-serve in 1895. The foreign exchange houses were much averse to entering on such an agreement, but Mr. Morgan simply informed them that they would ave to do so, and they did. This was the beginning of a remark-

share in the Morgan underwriting synto do so. One bank president perthe first steel trust syndicate, that he did not care to join the underwriters, but, he added, "it is not easy to stay out when Mr. Morgan has hinted that one ought to be a member of it." It should, however, be added that, even in 1895, the "Morgon schemes" followed year in lavishing huge sums of cash on people who shared the risk with him. The Morgan government bond syndicate of 1895 practically turned over \$3,500,000 at the treasury's ex-

be at its height in 1895; its real culmi-nation was reached, however, in March, 1901, when the steel trust was organ-ized. It is incorrect to suppose, as Englishmen often do, that the inter-national shipping trust was the high mark of his American reputation. So far is this from the truth that the main greeting accorded to the shipping trust announcement was that it was a piece of folly "Mr. Morgan is the real Napoleon of finance!" a well-known ing. Wall-street man remarked at that time, speaking of the foolish conferring of such titles on the Ferdinand Wards of Wall street. "He is," a bystander replied, emphatically; "and he has got

his troops into Warsaw."

This opinion, so far as concerned the outlook for the promotions thrust thus helter-skelter on the market, was very general, and it was correct. The reasons why such convictions were not courageously outspoken are a little curious. One was the belief of the average financier that the schemes were bound to succeed, and that therefore it was unwise to oppose them.

But much more than this, the silence

and criticism during the operations of 1901 are to be explained by the extra-It is probably not understood abroad

-it is, in fact, not generally known even in America—that the press of New York has been virtually gagged as to criticism of these operations. The statement may, I think, be made without qualification, that, outside of the sensational papers, which, of course, have no financial standing, there are not more than two newspapers in New York, daily or weekly, which have dared to tell the truth regarding these later promotions. It is within my per-sonal knowledge that editors of some highly respectable and important newspapers have in private conversa-tion freely professed their dislike of these schemes; yet they have continued to approve them in print.

The explanation is threefold: first, and least objectionable among the rea-

sons, is the curious idea which has pre-vailed in this country during the last two years, that to criticise any of what I breathing-space?"

was to attempt the undermining of our country's prosperity. Foreigners can hardly conceive the extent to which these huge amalgamations, with their incidental booming of prices, have been popularly identified with the natural

The two other reasons for the silence or misrepresentations of the press in these matters were the fear of antag-onizing the powerful interest that might be useful, and not least the fact or another had acquired a voice in the councils of several prominent newspapers. This influence was acquired by various means, which need not be enumerated, and which, in fact, are not absolutely known in every case.

I believe it to be safe to say that America public confidence in Mr Morgan's group of financial operations was not positively shaken until, first the Northern Pacific fight began to make people wonder what were the limits of conservatism, and later the remarkable financial operations of the teel trust and the Louisville and Nashville greatly emphasized such doubts. The story of the Northern Pacific struggle is sufficiently well Pacific struggle is suffic known to English readers.

The point to which attention should be called in this connection, however, is that the public began to ask how operations could possibly be conservative which involved the tossing of cap-ital into the stock market at so crazy

Old hands used to say in Wall street, xchange, that Mr. Morgan, at any ate, was indulging in no such mad was said, could not have approved be action. But later, in the Peter Powers suit, Mr. Morgan testified that he himself gave the buying order. The orders could not possibly have resulted in anything but the disastrous corner, which, as a matter of fact, ensued The New York public has never forgiven Mr. Morgan this; he has never since enjoyed the reputation for conservatism which was his before. I know that the reader will find nothing of this in the American newspapers and correspondence; but it is true, and every Londoner who mixed in Wall street circles last May and June

knows it to be true.

The steel trust scheme to convert \$200,000,000 preferred shares into bonds has from the first been regarded as a Morgan move. One of Mr. Morgan's own closest associates said flatly, when the conversion was blocked by injunc-

Yet the announcement of this conver sion scheme was a heavy blow to public confidence in this and kindred promotions.

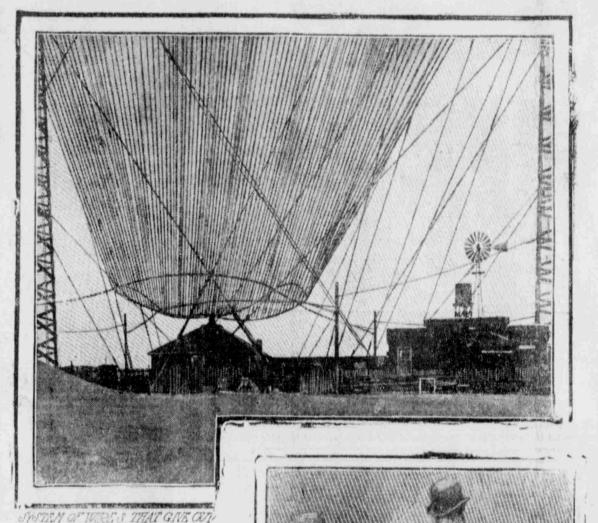
The feeling, both in and out of financial circles, has been that this conver-sion scheme was undertaken for the purpose of helping out certain large subscribers to the Steel trust amalgamation who were unable to sell their stock except at heavy sacrifice, and who, therefore, were to be provided with bonds at the expense of the com-

pany's credit.
It is perfectly safe to say that the outside public now regards this con-version scheme as utterly indefensible, especially when inaugurated by the proposition to pay \$10,000,000 outright to a Morgan syndicate for the service. a Morgan syndicate for the service

of guaranteeing the conversion.

My readers will not, therefore, wonder that when the, new amalgamation and conversion operations came on the market this autumn they were received in a frame of mind very different from that of eighteen months before. Indeed, the change in public sentiment from the time when the Reading and Jersey Central were combined at the class of 1999, and when the steel trust close of 1900, and when the steel trust itself was formed in the ensuing March. to its attitude at the present time to-wards such operations at the shipping trust flotation and the Louisville and Nashville deal, is one of the most striking and dramatic in the history of the American market. The present Wall street comment on

this entire financial group may be summed up tersely as follows: "Why can they not leave us alone a moment and give our shaking money market a MARCONI PLANS TO COVER WHOLE WORLD WITH HIS WONDERFUL SYSTEM.



by wireless telegraphy will be established throughout the entire commercial world. Marconi is now working on plans to achieve this wonderful feat. Within a very short time overland communication between New York and San Francisco will be effectalso be established and the erection of other stations at various points will rapidly follow. Above is published the very first authentic snapshot of the Marconi system at Wellfleet. Also the first group photograph of the great in-



missionaries are once more hard at work, and notwithstanding the fact

work, and notwithstanding the fact that our numbers are greatly reduced and three of us are without companions, the prospects of the London conference have not been brighter for a long time. There seems to be a spirit of investigation abroad and people are spening their doors to us on every hand. This is very gratifying as this great city of London has generally been considered a rather barren field.

Elders Sampson, Knowles and Chas.

Elders Sampson, Knowles and Chas. H. Smith, who have been laboring in this conference for the last two years, returned home in December, and Elder Jno. D. Hughes sails from Liverpool some time in February, after having labored a year in Wales and fifteen months in the London conference. Elder Hughes is an artist who will very likely be heard from in the near future.

AMERICA'S FAMOUS PORTRAIT PAINTER.

painting a specialty. Elder Roy D. Thatcher of Logan has been hono ably released and has accepted an invitation to return home on the freight boat Ottoman. He thinks it a good opportunity to learn all about marine navigation, as he will dine with the officers of the boat, and will have ample opportunity to hear the "old tars" spin yarns in the forecastle. The first year of his mission was spent in the French part of Switzerland, but when that mission was closed sixteen months ago, he was transferred to England.

Elder Andrew Jensen is spending a few days in London, collecting Church historical data, and incidentally, visiting some of the places of interest to be seen here. He is accompanied by his wife, who recently came over from Utah to visit her relatives and travel in He spent a number of years in the art | Europe with her husband. Next week schools of Chicago and made portrait | they will continue their journey to

Elder Roy D. | Holland, Germany, and the three Sca.

Last week Eldrs Wm. R. Horne of Richfield, Chas. H. Asbischer of Logan, Heber J. Webb of St. George, Samuel Allen of Goshen and J. F. Barton of Bluff, Utah, passed through London on their way to the Continent to fill missions. Elders Horne and Aebischer were headed for the Netherlands, while the other brethren proceeded to Switzerland via Faris.

Our latest arrival from Zion is Elder Claude T. Barnes, and he has been ap-pointed to labor in Hammersmith, with the writer. TRACY Y. CANNON.

AN AMATEUR REFORMER.

printed and filled out in due form and signed by the postmaster at Morgan-town, instructed the postmaster at Chicago to pay to Henry M, Gwilliams the sum of \$1.65.

A tall, lanky person who had dropped in at the postoffice presented it at the proper window.

The clerk read it through carefully and looked at the lanky person with some suspicion.

'Are you Mr. Gwilliams?" he demanded.

manded.
"Yes, sir."
"H'm! Who sends the money to you?"
"Harrison Hilker, Morgantown, state
of Kentucky. He's a man, if I remem
ber rightly, with a firizzly mustache,
wart on each side of his nose, sandy
complexion, blue eyes, pleasing expression of countenance, good talker, vote1 for Bryan in 1900, but believes in the gold standard. This money was sent to balance a legal account of long standing-"

"I don't care for any of that," Interesed the young man on the other side of the glass partition, "Have you pato identify you as owner of this order?"
"Here's the letter it came in," said
the person professing to be Mr. Gwil-lams. "You can see the name on the

Here he laid the contents of the iner breast pocket of his coat before

"That's a letter from a cousin in wa." he explained, pointing out the se on top of the pile. "Receipted bill com gas company. Here's my bank-. I think, agrees with name ostal ordet. Letter from client on west side. Involved in suit over Invitation to club ban-

Circular from proprietor of wire factory, offering to "guess that'll do." "I want you to be satisfied. It's a serious thing to pay out a dollar and six bits—or is it four bits"—to a total stranger who hasn't anything but an honest face and a few documents to

I told you I was satisfied. But I'm not. I want to make the

proof overwhelming."

He took a dozen or two of his professional cards from a small morocco
card case and scattered them profusely

That's all I have with me," he said, but if I can have the use of your tele-hene I can bring the office boy here in the minutes with a hundred more—" "Don't get funny. I told you the ntification was satisfactory."

sant he Wal N ed.

"Yes, sir."
"Because if you are not—"
"Please let that lady behind you—"
"Ah! Beg pardon, ma'm. I hope you will not have as hard a job in establishing your identity as I had."
He raised his hat, gathered up the order on the cashier which the clerk had shoved at him, replaced his documents in his various pockets and moved toward window No. 25.—Chicago Tribune.

UTAH'S LONDON COLONY.

Theatricals in the World's Metropolis-Sousa Turning People Away-Miss Emma Ramsey's Continued Success-Movements of the Missionaries.

ondon, Jan. 12, 1903.—The year 1903 be an interesting one for London's rs of the drama, the chief anticing interest resting in the foreign has promised by the leading mans. Mr. Tree will produce Tolstol's rection;" Sir Henry Irving will teen in Sardou's "Dante," at Drury e, and it is probable that Mr. Alexwill find a successor to "If I Was in Forster's "Ait Heidelberg." also possible that Sir Charles ndham will appear in Mr. Alfred 98's "La Chatelaine." and there are irs of the production of Ibsen's Vikings," by Miss Ellen Terry. s the foregoing most of the leadve dramatists will be representpresent that truly great Eng-tor, Mr. Forbes Robertson, is "Othello" at the Lyric, while atomine "Mother Gooose," with g the children, old and brury Lane, Mr. Robertson be the first time that has been seen on the stage,

ness and his band have come to and threaten to give the organ thank him if he does, for really.

creating much interest

diversion or a second for a second common or a second seco "Good-bye Dolly Gray" does get rather tiresome after having heard it every day for two solid years. As usual, he is playing to crowded houses, indeed, hundreds are being turned away every night, so great is the demand for seats. American music is very popular over here, and in almost every house where there is a plano one finds the music racks filled with American rag-time pieces, coon songs, Sousa's marches, influx of "degrading" music from "over the pond," and some of them are mean enough to suggest that America can-not produce anything better: They forget that we have such composers as E. A. MacDowell, H. W. Parker and Dudley Buck.

Another American who is very populat in London at the present time is Col. Cody with his Wild West show at Olympia. While the average Londener knows little or nothing about the "wild and woolly west" as it was fifty years ago, he can, nevertheless generally appreciate good horsemanship, and when he sees Buffalo Bill in a fierce encounter with an Indian brave he becomes as enthusiastic as a college student at a football game.

Word comes from Paris of the success Miss Emma Ramsey is enjoying. She has recently been doing some con-cert work which has brought her most favorable criticism from both musicians and the public; indeed at a concert where she sang the other night she received such a storm of applause when she stepped on the stage, that it was before she could begin her

THE THE PARTY OF T ceived an ovation, many who were in the audience crowded into the artist's room and begged Monsieur Archain-

AT HAGUE.

Prof. De Martens, the famous interof The Hague arbitration tribunal, will international jurists selected to try the Venezuelan controversy when it gets will be established.

Now that the holidays are over the before The Hague court.

song. When she had finished she re- | baud, her teacher, to present them to her. One who was present writes me that "she was perfect, that is all I can say." She has received many flatter-ing offers to return to Paris next winter and do concert work, but I understand she has not yet decided just what she will do. She expects to return to U ah next April or May, and will perhaps be heard in most of the larger cities of our state. Camille Erlanger, one of the oremost composers of Paris, and strong man at the opera comique, i He thinks her singing so artistic that he has asked her to introduce some of his new songs. Miss Ramsey was in London for three weeks last summer. and her singing delighted every one She is a thorough musician and impresses one with the character shaputs into her singing. She is one wh pleases the musician as well as the public, and like all true artists, the ike her. Unlike any of our other young singers, she has had the advantage of both the German and the French schools, having spent two years in Berlin before going to Paris. She has, without doubt, a great future before her for one who could be suffered to the could be suffered by the second seco fore her, for one who could overcom the obstacles she has successfully me as a student, and being possessed of perament, is sure to succeed as an arr

At a concert in Croydon this week Miss Nannie Tout is going to sing Coleridge-Taylor's "Spring Has Come" and the composer will accompany her on the piano. That reminds me, by the way, that the Royal Choral Society will sing "Hiawatha" on the twenty-eighth in the Royal Albert Hall. This means that there is a rare treat in store for that there is a rare treat in store to us as the music which Coleridge-Tay lor has set to this beautiful poem ! superb. and Sir Fred. Bridge is certain to give an excellent rendition of it. Mr Visettl has been agitating the question of giving Miss Tout a free scholarship All the professors realize that she is worthy of one, but the great drawback is that she is not a British subject and they are afraid that if they favor her in this way a very dangerous precedent

John Singer Sargent, R. A., one of the world's most famous portrait painters is in the United States. It is the first time he has visited his native land since 1898. Mr. Sargent is here to paint President Roosevelt's portrait. The picture is for the historical series of United States presidents.